

## **THE MAYOR'S GREEN BUILDING TASKFORCE**

October 16th, 2003 - Task Force Meeting

### **CASE STUDY – PORTLAND, OR**

The Portland Green Building Program is called “G-Rated”, which stands for “Green Rated”. It is administered through Portland's Office of Sustainable Development's (OSD) Green Building Division and focuses on private sector development. It was launched in 1999.

#### **Contact:**

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#### **History:**

The G-Rated program was created in partnership with the Sustainable Development Commission and benefited from the input of over 160 local developers, architects, engineers, affordable housing providers, advocacy groups, and city employees. Funding comes from residential solid waste and recycling franchise fee increase of 1.55%. The United States Green Building Council's LEED Rating System is used in conjunction with local standards.

#### **Goals:**

The effort has two fundamental goals:

- 1) To expand market demand by educating building industry professionals and the public about the benefits of green building.
- 2) To make green building practices easier to implement by reducing regulatory and financial barriers while developing technical services and resources for building industry professionals.

#### **Resources, Products and Services:**

G/Rated services and resources include:

- Personalized technical assistance
- Web-based resource and research center
- Best practices, specifications and resource guides
- On-line green products and services directory
- Financial incentives
- Case studies and technical briefs

#### **Incentives:**

Neighborhood Housing Program Loan: Products include the Fannie Mae HomeStyle Refinance/Rehabilitation Loan Program; Shared Appreciation Mortgage Program; Residential

Loan Program; Residential Loan Program with Shared Appreciation Mortgage (SAM); Lead Hazard Reduction in the Home Repair Program:

- Home Performance Power mortgages have low or no down payment requirements and require borrowers to contribute only 3 percent for closing costs, which may come from a variety of sources. Eligible borrowers can also add the dollar value of projected energy savings to their income, thus qualifying for a larger mortgage.
- G-Rated Residential: up to \$3000 for green renovations to existing homes
- G-Rated Commercial: 2 tracks: Innovation track offering up to \$5,000 and LEED track offering up to \$15,000 for Certified and \$20,000 for silver rated buildings.

Sustainable Building Tax Credit:

LEED-certified Silver, Gold and Platinum building are eligible for a Sustainable Building Tax Credit. A pre-certification application is required and will be reviewed by staff and approved with a specific tax amount, based on the LEED rating sought. Tax credits are only available in the year the project is substantially completed. Eligibility is determined after the LEED Certification (at Silver or higher) is received. Credit will be calculated on gross square footage (gsf) of all conditioned spaces.

Tax Credit Incentive Matrix (per gsf):

Building Size	Silver	Gold	Platinum
First 10,000 gsf	\$5.71	\$9.29	\$14.29
Next 40,000 gsf	\$3.57	\$4.29	\$7.86
Above 50,000 gsf	\$2.00	\$2.86	\$5.71

Tax Credit Example - 100,000 gsf bldg: Silver: \$200,000; Gold: \$286,000; Platinum \$571,000

Business Energy Tax Credit (BETC):

BETC offers projects that incorporate energy conservation, efficient equipment and renewable energy systems a 35 percent, five-year tax credit or a 28 percent cash "pass through" option through your service utility or lender. Office buildings, stores, apartment buildings and other businesses may be eligible.

Small Scale Energy Loan Program (SELP):

Low-interest, fixed-rate, long-term loans for any qualified building project that invests in energy conservation, renewable energy and alternative fuels. Individuals, businesses, schools, special districts, tribes and local, state or federal government agencies are eligible. In addition, schools and governments are eligible for an individual energy analysis and engineering study.

Earth Advantage Commercial: a commercial green building certification program. PGE offers customized services including whole building energy analysis, design assistance, environmental consulting, access to financial incentives, and certification.

Earth Advantage Residential: a residential green building certification program. Participants are eligible for the following incentives: Oregon state tax credits, rebates for shell measures, lighting

and space and water heating. In addition, Earth Advantage offers participating builders technical assistance, training and a resource guide. Each home is inspected and certified.

#### The Energy Trust Building Efficiency Program:

Designed to provide a wide range of energy saving services and financial incentives for commercial, industrial, institutional and agricultural facilities in Pacific Power and PGE service territories. The program provides a wide range of services to help improve the design and performance of a new building project including financial assistance, technical assistance, equipment and design choice assistance, support of feasibility studies, and help with building commissioning.

- High Performance Track: Targets new and existing projects with long lead times, through which the program can influence equipment choices and building design. Other benefits include sponsoring feasibility studies and building models to estimate energy savings and support for LEED certification.
- Custom Track: Serves projects that are further along in the design process by assisting in decision making and equipment choices, facilitating technical and economic studies when necessary, and providing financial incentives for qualifying measures.
- Standard Track: Provides program support to projects near or in construction by providing cash incentives for upgrades to efficient equipment and components (i.e. lighting, HVAC systems).
- Solar Photovoltaic: The Energy Trust offers up to \$35,000 for businesses installing solar electric (photovoltaic) systems. The program includes financial incentives, service and support, and when combined with federal and state tax credits, can lower the total cost of a system by 50% or more. Once installed, a typical photovoltaic (PV) system can save 10% to 15% on your electric bill. Other incentives include a Business Energy Tax Credit through the Oregon Office of Energy of approximately 35% of installed system cost applied over 5 years. Credits can lower the total cost of a system by 50% or more. Once installed, a typical photovoltaic (PV) system can save 10% to 15% on your electric bill. Other incentives include a Business Energy Tax Credit through the Oregon Office of Energy of approximately 35% of installed system cost applied over 5 years.
- Solar Hot Water: The Energy Trust incentive for solar water heating installations, coupled with tax credits, make solar water heating cost-effective today. Customers of Pacific Power, PGE and NW Natural Gas are eligible for this program, including office buildings, community buildings, agricultural, and municipal facilities. New construction and existing building upgrades are included, with some restrictions. The incentive is \$.40/kWh of estimated annual savings, based on the systems rating. The Oregon Business Energy Tax Credit offers additional incentives.

#### **Stakeholders:**

Originally there were 160 local developers, architects, engineers, affordable housing providers, advocacy groups, and city employees who collaborated to form G/Rated.

#### **Marketing:**

Portland G/Rated has a highly interactive and fun/easy to use web-interface with a lot of information and contacts for their extensive incentive programs. They also hold events on a regular basis including tours of green building in the city.